

TOWN OF CONCONULLY
Okanogan County, Washington
January 1, 1993 Through December 31, 1993

Schedule Of Findings

1. The Town Of Conconully Should Maintain Complete And Accurate Accounting Records And Submit The Annual Report When Due

The Town of Conconully Annual Financial Report for 1993 was not prepared and submitted to the State Auditor's Office and made available for public review until three months after the due date. In addition, the town clerk-treasurer had not provided treasurer's reports or budget status reports to the town council since her hire on January 1, 1994. At the July 19, 1994, council meeting, the town council refused to process future payments until they were provided with this vital information. The clerk-treasurer and mayor resigned. The town council appointed a new mayor and an interim clerk-treasurer. The new mayor contacted the State Auditor's Office for assistance in preparing the 1993 annual report and the 1994 records.

Our review identified the following weaknesses which caused the reports not to be prepared:

- a. The 1993 records had not been posted for December 1993 vouchers paid in January 1994. The treasurer's report for December 1993 could not be completed and balanced to the bank until this was done.
- b. The receipts and warrants processed in 1994 had not been posted completely and accurately and no attempt had been made to balance the records to the bank.
- c. Receipts were deposited a month to six weeks after receipt. Receipts from February 1 through February 21, 1994, were deposited March 11, 1994. February 22 through February 28 receipts were deposited March 17. March receipts were deposited April 7 and April 28. April receipts were deposited May 25 and June 3. May's receipts were deposited June 3 and June's and July's receipts were deposited weekly.
- d. The town-clerk discontinued the utility control ledger and numerous addition errors were found that would have been caught if this standard ledger had been maintained.

RCW 43.09.230 and the *Budgeting, Accounting, and Reporting System* (BARS) manual, as promulgated by the State Auditor's Office, Volume 1, Part 4, Chapter 1, page 7, requires the town to submit an annual report within 150 days after the close of each fiscal year.

RCW 35.27.220 requires the town clerk to prepare quarterly and annual reports to the town council showing the receipts and expenditures for the period and the financial condition of the town. RCW 35.27.230 further defines the records to be kept by the clerk.

Article XI, Section 15 of the Washington State Constitution requires all moneys to be deposited immediately in a legal depository.

When financial reports are not prepared and filed as required, the users of these reports are denied access to the town's financial information. Such users include:

- a. The town council, which uses these reports to make financial decisions, plan future rate changes, capital purchase, and monitor the budget.
- b. The taxpayers within the town.
- c. The state legislature, which receives a copy of the annual volume of comparative statistics for all municipalities, published pursuant to RCW 43.09.230.

In addition, when the information provided in the town's financial statements and schedules is not available in a timely manner, audit time and costs are significantly increased.

The clerk-treasurer lacked the experience to perform the job without outside assistance and although the town council offered to send her to training, she did not feel it was necessary.

We recommend that the town maintain complete and accurate accounting records and submit the annual report by the due date.